

# SUPREME COURT PUTS LAW'S GRIP

## ON THE TRUSTS

Must Answer Questions and  
Produce Their Books.

AS INDIVIDUALS

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Not Protected as Persons by Fourth

Constitution.

Result in Paper and Tobacco Trust Cases

Proceedings.

HERALD BUREAU,  
No. 734 FIFTEENTH STREET, N. W.,  
WASHINGTON, D. C., Monday.

Decisions of great and far reaching importance to the government in its prosecution of offenders against the Anti-trust law were rendered by the Supreme Court today.

The court upholds the contentions of the government on all essential points in what are known as the Tobacco Trust and the Northwestern Paper Trust cases. These bear particularly on the questions of immunity of corporations and corporation officials raised by officers who refused under advice of counsel, to produce corporation books and papers in their possession.

The court differentiates between the constitutional guarantees of immunity in the case of individuals and the claims advanced by corporations to similar immunity, deciding, in effect, that as the corporation gets its life from the State it is a right of the State to demand such information concerning its affairs as may be deemed necessary for the public good.

The court also upholds the rights of grand jurors to have access to this kind of evidence.

Importance of these decisions on their bearing on present and future prosecution under the Anti-trust law cannot be overestimated. The principles laid down will apply to all proceedings for violation of the Anti-trust law and, equally, to all proceedings against railroads for violation of the Interstate Commerce law.

**Free to Begin Prosecutions.**  
It is known that the Department of Justice has been holding back anti-trust proceedings in several directions awaiting the decision of the Supreme Court in the cases passed upon to-day. Now that the government's contentions have been fully sustained, Attorney General Moody will

The original action out of which the Paper Trust cases grew, was instituted in the Circuit Court for the District of Minnesota in December, 1904, but the transaction involved in the case decided to day took

L. M. Alexander, secretary and treasurer

George A. Whiting, first vice president and W. C. Stuart, general sales manager for the paper company, and E. T. Harmon, president of the Grand Rapids Pulp and Paper Company, refused to produce the books or answer certain questions concerning

ing the conspiracy alleged by the government in the proceeding against the paper company, laying claim to personal privileges under the fourth and fifth amendments to the constitution of the United

States. They also contended that to compel such disclosure would amount to an unreasonable search and seizure within the meaning of the fourth amendment, and to require them to give evidence against themselves within the meaning of the fifth

Refusal of the witnesses to testify was reported to the Circuit Court for the Eastern district of Wisconsin, and that tribu-

The facts in the Minnesota cases were similar, but the court proceedings were different, permitting the Circuit Court to

**Parties to the Cases.**  
Parties to the Minnesota cases were Benjamin F. Nelson, president of the Hennepin County Board of Supervisors, and

John Papp, company; Anselm C. Broad-  
sard, treasurer and manager of the Itasca  
company, and Clarence I. McNair, gen-  
eral manager of the Northwest Paper  
Company. In his opinion in these cases  
Justice McKenna quoted the objection

"that the evidence, documentary and oral, which the witnesses were required to produce, was not shown to be material to plaintiff's case," and said:—

The charge of the bill is that the defendant manufacturing corporations entered into a conspiracy and combination in violation of the act of June 2, 1890, to suppress competition between themselves, and that they

accomplished this purpose by organizing the General Paper Company and gave it certain controlling powers over the output of the mills and the prices and distribution of their products. Before the application to the court for the orders under re-

view there were certain facts established." Many of these facts were cited, and Justice McKenna said that by the admissions of the answers the General Paper Company entered into contracts with other companies, became their selling agent and

"Presumably," he proceeded, "it exercised its powers, made sales and received profits. In all that it did the manufacturing corporations were interested."

the sales and into what States the paper  
of the company was shipped and sold.  
Such accounts are material and relevant